

Attachment 1

Announcing the

South Coast Air Quality Management District's

*Zero Emission Vehicle
Incentive Program*

*for Passenger Vehicles
& Light-Duty Trucks*

Program Announcement & Application

PA 2002-05

April 5, 2002

AQMD reserves the right to change any criteria such as the schedule, qualifications, and selection criteria outlined in this Program Announcement & Application.
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DATE: April 5, 2002

TO: Retail and Fleet Customers interested in Purchasing or Leasing New
Zero Emission Vehicles

FROM: Barry Wallerstein, Executive Officer, SCAQMD

SUBJECT: SCAQMD Program Announcement
Zero Emission Vehicle Incentive Program
for Passenger Vehicles & Light-Duty Trucks

The South Coast Air Quality Management District (SCAQMD) is pleased to announce a funding opportunity for implementation of the State's "Zero Emission Vehicle Incentive Program" in the South Coast Air Basin. This program is designed to provide incentives for the lease or purchase of new certified zero emission passenger cars and light-duty trucks. All retail and fleet customers are encouraged to apply for funding from the Zero Emission Vehicle Incentive Program either directly or by assigning the grant to a participating vehicle lessor in order to reduce the monthly lease price.

A Request for Proposals for ZEV incentives for fleets in areas that are disproportionately impacted by poor air quality will be issued at a later date.

Staff at the Technology Advancement Office (TAO) of the SCAQMD are available to assist applicants during the preparation of their applications for this program. Points of contact for administrative and technical assistance are included in the attached Program Announcement (Section I.E).

Should you have any questions regarding this Program Announcement, please contact Lisa Mirisola, Air Quality Specialist, at (909) 396-2641. The Announcement and Application documents can also be accessed via the Internet by visiting SCAQMD's website at www.aqmd.gov.

Our main objective is to encourage the production and use of zero emission vehicles, and we look forward to receiving your application.

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Section I: Program Introduction

I.A. ZERO EMISSION VEHICLE INCENTIVE PROGRAM OVERVIEW

The Zero Emission Vehicle Incentive Program is the result of Assembly Bill 2061 (Lowenthal) signed by Governor Gray Davis on September 30, 2000. CARB has the primary responsibility for administering this program, which will provide up to \$18 million to reduce the cost of zero emission vehicles. On December 7, 2000, the ARB's Governing Board adopted the guidelines for the Zero Emission Vehicle Incentive program. The purpose of the program is to reduce the incremental cost of electric vehicles and expedite their placement in California.

CARB does not require any match funding from air districts that wish to implement the program locally, but encourages air districts to provide additional incentives for zero emission vehicles and infrastructure, and support the program with staff and outreach material.

The Governing Board previously approved AQMD participation in the program in accordance with CARB approved statewide guidelines, establishment of a special revenue fund, and authorized the Executive Officer to execute grants to qualified recipients.

Currently, CARB is administering the program statewide, and AQMD will coordinate its efforts to provide for a smooth transition to local implementation within the AQMD.

Additional statewide funding of \$20 million for ZEVs through FY 2003-04 was included in the State's FY 2001-02 budget. Up to \$10 million of the funding is reserved for fleets and could be distributed according to budget act language "through a competitive bid process that gives preference to the award of grants to fleet operators that will use the vehicles primarily in communities that are disproportionately impacted by poor air quality, including low-income communities and communities of color." CARB is scheduled to consider revised guidelines for the expanded program on April 25, 2002, and any necessary revisions to AQMD local implementation will be brought for Board consideration.

Further details regarding the specific requirements and criteria of the zero emission vehicle incentive program are outlined in section *I.D.* in this document.

I.B. PROGRAM SCHEDULE

The Zero Emission Vehicle Incentive Program will be conducted in accordance with the adopted State guidelines. The implementation schedule of this program is illustrated below. ***Funding is available on a first-come, first-served basis to applicants leasing or purchasing CARB certified ZEVs. One-half of the funds allocated by CARB to SCAQMD for local implementation is reserved for fleets that operate in areas which have the most significant exposure to air pollution or localized air pollution including low income communities or minority communities or both, consistent with AB 1390 (Firebaugh). This is not a competitive bid program announcement.***

Zero Emission Vehicle Incentive Program Schedule

April 5, 2002	Issue the Program Announcement & Application #PA 2002-05
May 1, 2002	Target date to begin distribution of grants
December 31, 2002	Deadline to place non-refundable deposit with qualified zero emission vehicle dealer.
March 31, 2003	Deadline for filing application with proof of deposit.

I.C. APPLICATION SUBMITTAL

The applicant shall submit two copies of the application in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "Program Application PA 2002-05". All applications for the Zero Emission Vehicle Incentive program are due no later than 5:00 p.m., December 31, 2002, to:

Leticia De La O, Purchasing Supervisor
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, CA. 91765

I.D. PARTICIPATION GUIDELINES, REQUIREMENTS, & CONDITIONS

GRANT PROVISIONS FOR ZERO EMISSION VEHICLES

Zero Emission Vehicle Incentive Eligibility Criteria

A. *Criteria for Applicant Eligibility*

An applicant must meet one of the eligibility criteria listed below to qualify as a grant recipient:

- be an individual (i.e., a retail or private customer/consumer),
- be a local government entity or agency,
- be a state government entity or agency,
- be a nonprofit organization or,
- be a private business.
- On or after January 1, 2002, be a federal government entity or agency,

For a leased ZEV, the grant applicant shall be the person or entity financially responsible for registration of the vehicle.

B *Criteria for Vehicle Eligibility*

1. CARB will maintain the list of eligible vehicle models and the amount of the grants to reflect new additions, as they become available.
2. In order to be eligible to receive a grant, a zero emission vehicle shall meet all of the following criteria:
 - be purchased or leased on or after October 1, 2000, and on or before December 31, 2002;
 - be registered with the Department of Motor Vehicles (DMV) for use in this state;
 - meet all applicable federal and state safety standards, or, if the vehicle is to be utilized solely for a demonstration program, have received the applicable waivers from the National Highway Traffic Safety Administration; in the case where vehicles of a particular vehicle model are to be utilized solely for a demonstration project, have the applicable waivers for those vehicles from the National Highway Traffic Safety Administration (NHTSA)
 - be capable of operation on the freeway, as determined by CARB, in conjunction with the CEC; and
 - any other criteria established by CARB.

FUNDING ALLOCATIONS

A. *Amounts of Funding*

1. CARB will determine the amount of funding for each model of zero emission vehicle, up to \$9,000 per qualified vehicle.

B. Matching fund requirement

1. The applicant shall provide the balance of funding for the zero emission vehicle and infrastructure.

PROJECT IMPLEMENTATION

A. Disbursement of Funds

1. Funds will be paid on a reimbursement basis at the time of vehicle delivery to the applicant. Proof of vehicle delivery must accompany any request for reimbursement of approved funds.
2. Since this program provides funding on a first-come, first-served basis, funding is not allocated by county.
3. Proof of vehicle registration within the SCAQMD must accompany any request for reimbursement of approved funds. Applicants registering qualified zero emission vehicles in other parts of CA must apply directly to CARB.
4. Monies owed will be paid directly to the applicant or to the lessor if the applicant has assigned the grant to a vehicle lessor that accepts assignment of grants. A grant paid directly to the applicant will typically be distributed in three allotments over a 36-month period. A grant assigned to the vehicle lessor would result in the entire grant going directly to the lessor to reduce the capitalized cost of the ZEV by the entire grant amount, and result in a lower lease price for the applicant.

B. Project Completion Deadlines

1. Non-refundable deposit for the qualified zero emission vehicle must be placed with the vehicle dealer on or before December 31, 2002.
2. Application for Zero Emission Vehicle grant must be submitted by March 31, 2003.

C. Monitoring and Reporting

1. Proof of valid vehicle registration with the CA Department of Motor Vehicles must be provided to SCAQMD annually.

I.E. IF YOU NEED HELP

This Program Announcement and Application can be obtained by accessing the SCAQMD web site at www.aqmd.gov. SCAQMD staff members are available to answer questions during the application acceptance period. In order to help expedite assistance, please direct your inquiries to the applicable staff person, as follows:

? For **General, Administrative, or Technical Assistance**, please contact:

Lisa Mirisola
ZEV Incentives program
Phone: 909-396-2638
Fax: 909-396-3252

? For **Contractual Questions**, please contact:

Nancy Covey
Applications/Contracts Manager
FAX: 909-396-2765

Attachment 1

**List of Eligible Vehicle Models
For the Statewide ZEV Incentive Program**

Last Updated by CARB February 13, 2002

**Pursuant to California Health and Safety Code
Sections 44260-44264 (AB 2061, Lowenthal)**

Part 1: New Vehicles

Make and Model	Maximum Grant¹
Chrysler EPIC EV NiMH (van)	\$9,000
Ford Ranger EV NiMH (truck)	\$9,000
Ford Ranger EV Pb-A (truck)	\$9,000
Ford Th!nk City EV (2-seat city car)	\$9,000
General Motors EV1 Pb-A (2-seat coupe)	\$9,000
General Motors EV1 NiMH (2-seat coupe)	\$9,000
General Motors S-10 Pb-A (truck)	\$9,000
General Motors S-10 NiMH (truck)	\$9,000
Nissan Altra (4 seat wagon)	\$9,000
Toyota RAV 4 NiMH (sport utility)	\$9,000
Solectria Force Pb-A (sedan)	\$9,000

Part 2: Previously Leased Vehicles with Substantial Upgrades

Make and Model	Total Grant¹
1997 General Motors EV1 with Panasonic Pb-A (2-seat coupe)	\$3,500

¹ For leased vehicles, the maximum grant will be prorated if the lease period is less than 36 months.

Section II: Application Preparation Forms

Appendix A: Grant Application for Zero Emission Vehicles

Appendix A

Zero Emission Vehicle Incentive Program

APPLICATION FOR ZERO EMISSION VEHICLE GRANT

Fiscal Year 2001-2002

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Requirements and Instructions for Receiving A Zero Emission Vehicle Incentive Grant

Pursuant to California Health and Safety Code (H&SC) Sections 44260-44265



Applicant and Vehicle Eligibility Requirements

Applicant and vehicle eligibility requirements are specified in Sections 44260-44265 of the California Health and Safety Code (H&SC) and in the Air Resources Board's (ARB's) program guidelines and are available from the Program Manager (See contact information on Page 2.) or on the Internet at www.arb.ca.gov/msprog/zevprog/zip/zip.htm. The applicant must be an individual, a local government entity or agency, a state government entity or agency, a nonprofit organization or a private business. A federal government entity or agency is not eligible for a grant. For a leased vehicle, the applicant shall be the individual or entity that is financially responsible for the cost of the registration of the vehicle.

Applicant and vehicle must meet requirements that include, but are not limited to, the following:

1. The applicant is a resident of the State of California or represents an entity that conducts business in the State of California.
2. The applicant has purchased or is leasing a new zero emission vehicle (ZEV) that meets the criteria specified in H&SC Sections 44261 and 44263 and the vehicle is an ARB certified zero emission passenger car or light-duty truck.
3. The purchase or lease of this new ZEV commenced on or after October 1, 2000 and on or before December 31, 2002.
4. This new ZEV is registered with the California Department of Motor Vehicles for use in California.

There are two options for receiving the grant:

1) "Grant Assignment to Lessor"

If you intend to lease the new ZEV, you may consider assigning the grant to a participating lessor. The participating lessor would then receive the entire grant amount directly from the Program Manager. This will allow the lessor to reduce the three-year lease price of the qualifying vehicle by the entire grant amount, giving you lower monthly lease payments. If the lease period is less than 36 months, you or the participating lessor should contact the Program Manager, as the maximum grant for the ZEV may be reduced. This grant may be taxable so please contact your tax professional or the Internal Revenue Service for additional information. If you choose this option, complete and submit, through the participating lessor, the following items to the Program Manager (See contact information on next page.):

- ✍ A completed Application for Zero Emission Vehicle Incentive Grant (Form MSCD/ZEV-02)
- ✍ A completed Assignment of Zero Emission Vehicle Incentive Grant Form (Form MSCD/ZEV-03)
- ✍ A copy of the lease/purchase agreement signed by all parties with an itemization of credits, discounts, incentives received, if applicable
- ✍ A copy of the current vehicle registration

2) **“Direct Payment”**

With this option, you would receive your grant directly in three equal allotments. The first allotment will be sent out upon approval of your grant application. The second allotment will be sent out at the beginning of the second 12-month period after the purchase or lease of the new ZEV. The third allotment will be sent out at the beginning of the third 12-month period after the purchase or lease of the new ZEV. If you intend to lease a new ZEV and the lease period is less than 36 months, you should contact the Program Manager, as the maximum grant for that ZEV may be reduced. This grant may be taxable so please contact your tax professional or the Internal Revenue Service for additional information. If you choose this option, complete and submit the following items to the Program Manager*:

- ✍ A completed Application for Zero Emission Vehicle Incentive Grant (Form MSCD/ZEV-02)
- ✍ A copy of the lease/purchase agreement signed by all parties with an itemization of credits, discounts and incentives received, if applicable
- ✍ A copy of the current vehicle registration

If you choose the “Direct Payment” option, the Program Manager will send you a letter each year to remind you to submit a request for payment of your ZEV incentive grant that remains available. At that time, you would complete the form provided to you and send it to the Program Manager, along with a copy of the current vehicle registration. If you change addresses during the three-year period after the date of purchase or lease, please provide the Program Manager with your new address as soon as possible.

To receive the entire grant amount, you must own the vehicle for a continuous 36 month period after the date of purchase or continue to lease the vehicle for the entire period specified in the your application. If you decide to sell the ZEV or terminate the lease, please contact the Program Manager.

PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his/her social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The State of California requires that all parties entering into business transactions that may lead to payments from the State must provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information as required by the Internal Revenue Code, Section 6109(a). The TIN for individual and sole proprietorships is the Social Security Number (SSN).

It is mandatory to furnish the information requested. Federal law requires that payments for which the requested information is not provided be subject to 31% withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right or if you have any questions regarding this Privacy Statement, please contact the Program Manager of the Statewide Zero Emission Vehicle Incentive Grant Program at (866) 808-0189.

? CONTACT INFORMATION?

Statewide ZEV Incentive Program
California Air Resources Board, MSCD/ZEV
P.O. Box 2815, Sacramento, CA 95812
Judy Yee, Program Manager
Telephone: (916) 327-5610
General Information Line: 1-800-END-SMOG

SCAQMD ZEV Incentive Program
South Coast Air Quality Management District, TAO
21865 E. Copley Drive, Diamond Bar, California 91765
Lisa Mirisola, ZEV Incentive Program
Telephone: (909) 396-2638
General Information Line: 1 (800) CUT-SMOG



Application for Zero Emission Vehicle Incentive Grant

Pursuant to California Health and Safety Code (H&SC) Sections 44260-44265

For vehicles registered within the South Coast Air Quality Management District

Complete and Submit (with attachments) to:

Lisa Mirisola, ZEV Incentive Program,
South Coast Air Quality Management District, TAO
21865 E. Copley Drive, Diamond Bar, California 91765
(909) 396-2638 or 1 (800) CUT-SMOG



Obtain from AQMD
Voucher Number:

Statewide ZEV Incentive Program
California Air Resources Board, MSCD/ZEV
P.O. Box 2815, Sacramento, CA 95812
Toll Free Line: (866) 808-0189

A. APPLICANT INFORMATION (Please print.)

Name of Vehicle Owner/Lessee:

Street Address:

City:

Mailing Address:

PURPOSE: Information contained in this form will be used by the Air Resources Board and AQMD for determining grant eligibility, processing grant allocations, and to prepare Information Returns (Form 1099).

(See Privacy Statement in Requirements and Instructions)

State:

Zip Code:

Telephone Number:

FAX Number:

E-mail Address (optional):

B. PAYMENT OPTION

Please check option and initial:

☒ **Direct Payment** (Initial here: _____)

☒ **Grant Assigned to Lessor** (Also complete and submit Form MSCD/ZEV-03.) (Initial here: _____)

Please check one box below, as applicable, and provide the requested information:

☒ Private Individual, Sole Proprietor

Please provide
Social Security Number:

OR

☒ State Government Agency

☒ Local Government Agency

☒ Non-profit Organization

☒ Corporation

☒ Partnerships, Estates or Trusts

Please provide
Federal Employer's
Identification Number:

C. VEHICLE INFORMATION

Date of Purchase or Date on Which Lease Commences:

Lease Term in Months (if applicable):

Make, Model and Model Year of ZEV:

Vehicle Identification Number (VIN):

Manufacturer/Lessor Contact (Please print name and title.):

Telephone Number

I hereby certify to the best of my knowledge and belief that the requirements for this grant as specified in H&SC 44260-44265 and the Air Resources Board's (ARB's) program guidelines have been met and that all information provided in this application and supporting attachments are true and correct.

Name of Applicant, or Authorized Representative and Title (Please print.):

Signature:

Date:

FOR ARB/SCAQMD USE ONLY:

	Approval Number
	Total Grant Amount:
	Number of Allotments
	Check Amount:



Application for Zero Emission Vehicle Incentive Grant

Pursuant to California Health and Safety Code (H&SC) Sections 44260-44265

For vehicles registered within the South Coast Air Quality Management District
Complete and Submit with Form MSCD/ZEV-02 to:



Obtain from AQMD
Voucher Number:

Statewide ZEV Incentive Program
California Air Resources Board, MSCD/ZEV
P.O. Box 2815, Sacramento, CA 95812
Toll Free Line: (866) 808-0189

Lisa Mirisola, ZEV Incentive Program,
South Coast Air Quality Management District, TAO
21865 E. Copley Drive, Diamond Bar, California 91765
(909) 396-2638 or 1 (800) CUT-SMOG

By signing and submitting this form through the lessor or dealer, you, the lessee or the authorized representative of the lessee, are assigning the entire grant amount to the lessor. This will allow the lessor to reduce the price of the qualifying vehicle by the available grant amount, giving you a lower monthly lease cost. This grant may be taxable, so please contact your tax professional or the Internal Revenue Service for additional information.

I, the lessee or authorized representative of the lessee, hereby certify to the best of my knowledge and belief to the following:

1. I am a resident of the State of California or represent an entity conducting business in the State of California.
2. I am leasing a new zero emission vehicle that meets the criteria specified in H&SC Sections 44261 and 44263 and the vehicle is an Air Resources Board certified zero emission passenger car or light-duty truck. The Vehicle Identification Number (VIN) is set forth below.
3. The lease of this new zero-emission vehicle commences on the date set forth below, which is on or after October 1, 2000 and on or before December 31, 2002.
4. This new zero-emission vehicle is or shall be registered with the Department of Motor Vehicles for use in California.
5. I understand that H&SC Sections 44260-44265 provide zero-emission vehicle incentive grants to purchasers or lessees of eligible zero-emission vehicles. I hereby assign my rights to these grants to

_____. I understand that, in consideration of this assignment, my vehicle lease cost has been reduced by an amount equal to the amount of the grant assigned to _____ over the lease period of the vehicle.

Name of Lessee, or Authorized Representative and Title (<i>Please print.</i>):		
Signature:		Date:
Make, Model and Model Year of ZEV:		Vehicle Identification Number (VIN):
Date on Which Lease Commences:		Lease Term in Months
Lessor:		
Lessor Address:		
City	State:	Zip Code:
Federal Employer's Identification Number:		

I, the lessor agent, hereby certify to the best of my knowledge and belief that the requirements of this grant as specified in H&SC Sections 44260-44265 and the Air Resources Board's program guidelines have been met and that all information provided in this application and supporting attachments are true and correct.

Name of Lessor Agent and Title (<i>Please print.</i>):	Telephone Number:
Signature:	Date:

SAMPLE GRANT AWARD AND AUTHORIZATION FORM

Zero Emission Vehicle Incentive Program

GRANT AWARD & AUTHORIZATION FORM

Your application for funding under the Zero Emission Vehicle Incentive Program has been approved as follows:

Vehicle Make and Model:

Vehicle Identification Number (VIN):

Date Lease Commenced:

Lease Term:

Grant Award:

Grant Number:

Assigned to Participating Lessor:

The maximum grant for a 36-month lease period for this vehicle is \$9,000.00. Please keep in mind that this grant may be taxable. It is recommended that you contact your tax consultant for advice.

If you have any questions regarding the grant, please feel free to contact Lisa Mirisola at (909) 396-2638 or via email at Lmirisola@aqmd.gov. Correspondence regarding the grant should include the Vehicle Identification Number and the grant Approval Number and be mailed to:

Lisa H. Mirisola, ZEV Incentives program
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, CA 91765

South Coast:

Air Quality Management District

Signature of Authorized Official

Name:

Title:

Date: _____